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CASE # 9403321

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BUREAU OF
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CURRENT
ANALYSES

(U) CHINA: NEW RETIREMENT POLICY LIKELY
TO AFFECT MANY PROVINCIAL BOSSES¹

~~SECRET~~ Summary

Beijing's recent announcement of its intention to enforce retirement policies and to readjust the leadership of almost all central and provincial organs could presage a large-scale turnover of top provincial personnel. Despite the extensive reorganization of provincial leaderships in 1982-83, there may be changes in as many as 20 provinces involving perhaps two-thirds of the party bosses and more than one-third of the governors. But even if the changes are limited, the infusion of younger blood would underscore Deng Xiaoping's political momentum of recent months and put in place more officials committed to economic reform and China's "open door" policy.

Many retiring veterans are likely to be replaced by virtual unknowns, reflecting the new policy of promoting younger scientists, engineers, and specialists. In addition, the process for selecting new provincial leaders may be becoming more regularized, with candidates being "nominated" by local and national organization departments rather than hand-picked by Deng Xiaoping or other party elders.

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In Guangdong

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1/ (U) See also INR Report 1042-CA, "China:
Possible Leadership Changes This Year,"
~~SECRET//NOFORN~~, March 28, 1985.

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Report 1041-CA
March 28, 1985

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Ren has had difficulty implementing party rectification and containing corruption in Guangdong, but his removal is more likely part of a nationwide effort to install younger leaders at the provincial level. He has been mentioned in the Hong Kong Chinese press as the putative successor to the ailing Wang Zhen as head of the Central Committee's Central Party School in Beijing. Although such a move would be a step up in protocol terms, the party school job would require less energy and carry less authority than the Guangdong party secretaryship.

(S) Lin--a 60-year-old protégé of Premier Zhao Ziyang--shares Ren's strong commitment to economic reform and to opening up Guangdong's economy to foreign investment. He was promoted to the CCP Central Committee in 1982 and installed as Guangdong's senior deputy secretary in April 1983. Lin has been an active deputy provincial secretary: In addition to running the party rectification campaign in Guangdong, he apparently assumed many of Ren's responsibilities during Ren's absence

[redacted] from October 1983 to

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February 1984.

(S) Reporting from a variety of sources also indicates that Guangdong's reformist leadership has enjoyed only limited success in using party rectification to remove "leftists," Cultural Revolution criminals, corrupt party members, and incompetent bureaucrats opposed to economic reform. In an apparent concession to conservative concern that the economic open door has let in morally corrosive influences, the rectification campaign in Guangdong over the past few months has subtly shifted its focus away from Cultural Revolution criminals and leftists per se to corrupt party officials regardless of ideological orientation.

(U) The reformers continue, however, to encourage cadre to "thoroughly eradicate leftism" and to press on with economic reform--albeit with a sharp eye out for waste, fraud, and mismanagement. The authorities have tried to dissuade potential economic criminals--and appease the conservatives--by publicizing and dealing harshly with egregious cases.

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In addition, officials on Hainan Island have been criticized for illegally using their decisionmaking autonomy to import foreign automobiles duty free and resell them at a considerable profit to inland provinces. If these irregularities continue, the conservatives are likely to try to use them to justify slowing down the pace with which Guangdong opens to the outside world.

In Shaanxi

(SOU) Party Secretary Bai Jinian is rapidly developing the image of an outspoken reformer who plans to turn his province into a model for the reform program. His close connections with Hu Yaobang and his espousal of rapid and thorough reform mark him as a man to watch. Some of Bai's criticisms, however, risk offending influential central leaders.

(SOU) Although he had been on the provincial party standing committee since 1983, and in the position of secretary for some months, Bai first attracted national attention last November when the Shaanxi provincial party committee held a meeting of more than 300 cadres at the county party secretary level and above to "elect" him provincial party secretary. This experiment in "democratic election" of party officials, personally sponsored by Hu Yaobang, was the first of its kind and was praised on the front page of People's Daily. So far, the precedent has not been followed in other provincial leadership changes.

(SOU) Hu Yaobang has maintained a close interest in Shaanxi developments since he served as the province's party first secretary before the Cultural Revolution. In November 1984, he was cited by the provincial radio service as criticizing Shaanxi's past leadership for being "conservative, ill-informed, and easily contented with things as they are."

(SOU) Bai Jinian apparently took his "election" as a mandate to correct these problems. In January, he equated conservatism with leftism, criticizing some leaders for their reluctance to give up such "leftist" remnants of the past as tight central control over the economy and egalitarian distribution. In February, Bai told a gathering of nonparty people that CCP political life is "not yet normal" and that "many comrades dare not tell the truth." At a February provincial party work conference, Bai

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instituted an open-book written test for all attendees except the old and infirm. The subject of the test was eliminating leftist influence and emancipating the mind.

(G/NP) One influential leader who may be uncomfortable with Bai's aggressive reformism is conservative President and Politburo Standing Committee member Li Xiannian. For years, Li has retained an interest, and some influence, in Shaanxi, especially in its capital, Xian. Shortly after his "election" as provincial secretary, Bai criticized the Xian municipal leadership as failing "by far" to meet current demands and lagging behind many other Chinese cities. Both the party leader and the mayor were summarily replaced.

~~(C)~~ In Guangxi

Party Secretary Qiao Xiaoguang, a protégé of Politburo member Wei Guoqing and a less than enthusiastic supporter of reform, is a likely candidate for replacement, perhaps as early as midyear. Qiao's continued tenure in office is probably part of a reformist strategy of coopting the ideological middle class while concentrating on removing diehard leftists from the party and government bureaucracies. In any event, Qiao is surrounded by reformists in the party secretariat, and deputy secretaries like Wei Chunshu and Jin Baosheng appear to be the principal architects of reform in Guangxi.

~~(C)~~ In Shandong

Hu Yaobang's publicized October visit to Shandong appears to have set the stage for party reform. Party Secretary Su Yiran, a long-time provincial leader associated with previous "leftist" mismanagement, may be replaced by Hu Yaobang protégé Liang Buting, currently the provincial governor.

~~(C)~~ In Shanghai

Numerous--and frequently conflicting--reports have circulated for some time that both First Secretary Chen Guodong and Mayor Wang Daohan will be removed. Leadership dissatisfaction with Shanghai's slow development is barely concealed in the Chinese press and is well known in Chinese leadership circles. Likely to leave with Chen and Wang is the city's second-ranking party boss, Hu Lijiao. Replacements probably will come from outside the province and be of national stature.

~~(C)~~ In Hunan/Xinjiang

The troublesome leader of Hunan, Mao Zhiyong, presents the leadership with a problem. Although a former supporter of Hua

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Guofeng, Mao seems to have made his peace with the reformers. Nevertheless, it is widely believed that Hu Yaobang would like to be rid of him. At 54, Mao is not yet a candidate for retirement, so some other reason would have to be found to remove him. Also unlikely to be replaced--for the opposite reason--is Xinjiang First Secretary Wang Enmao. At 72, Wang is long past the age of retirement but his experience and prestige in Xinjiang are almost certainly still considered indispensable.

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